

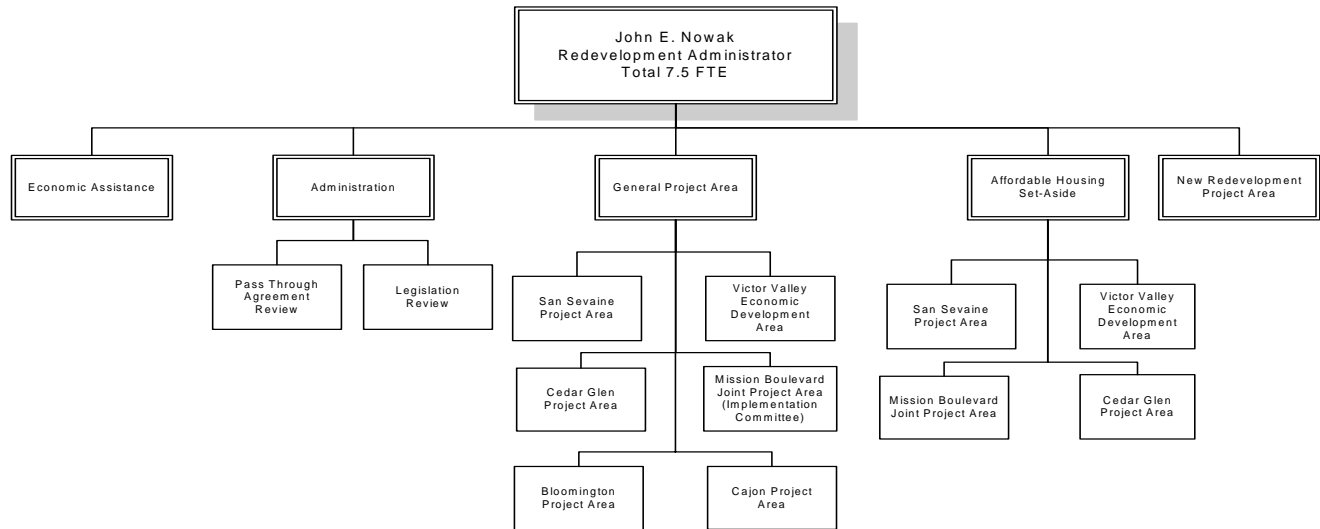
REDEVELOPMENT AGENCY

John E. Nowak

MISSION STATEMENT

The county's Redevelopment Agency serves to improve economic opportunities and affordable living conditions within established redevelopment project areas in the unincorporated county, through the effective and efficient utilization of California redevelopment law, appropriate use of tax increment revenues, and cooperative programs with other county agencies and communities

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

2005-06

	Appropriation	Revenue	Fund Balance	Staffing
San Sevaine Operating Fund	11,588,107	4,170,000	7,418,107	7.5
San Sevaine Housing Fund	2,627,283	1,065,000	1,562,283	-
San Sevaine Debt Service Fund	1,587,135	1,587,135	-	-
San Sevaine Capital Projects	4,103,770	74,000	4,029,770	-
San Sevaine Capital Housing Projects	-	-	-	-
VVEDA Operating Fund	577,372	38,000	539,372	-
VVEDA Housing Fund	328,633	53,000	275,633	-
Cedar Glen Operating Fund	108,628	50,000	58,628	-
Cedar Glen Housing Fund	12,000	12,000	-	-
Mission Blvd Housing Fund	45,105	3,200	41,905	-
Bloomington Operating Fund	310,682	205,000	105,682	-
Cajon Operating Fund	322,699	205,000	117,699	-
TOTAL	21,611,414	7,462,335	14,149,079	7.5



DESCRIPTION OF MAJOR SERVICES FOR ALL BUDGET UNITS

The Redevelopment Agency of the County of San Bernardino was established in 1980 under the California Community Redevelopment Act. Although a study was made at that time to assess the feasibility of establishing one or more redevelopment project areas, no projects were created. The proposal to build a speedway on a portion of the site once occupied by the former Kaiser Steel Plant near Fontana stimulated new interest in redevelopment. As a result of that interest, in 1995 the entire former Kaiser site and other blighted industrial property in its vicinity were incorporated into a project called the San Sevaine Redevelopment Project. The major objectives of the project are to encourage private sector investment in the development and redevelopment of the area by removing impediments to growth, eliminating and/or preventing the spread of blight and deterioration, and correcting infrastructure deficiencies. An amendment to the San Sevaine Project Area was adopted in November 2004, expanding the area by approximately 50% and approving other administrative changes. A portion of the amendment area may be removed from the Project Area in FY 2005-06 under a proposal being considered.

In 1993 the Victor Valley Redevelopment Project was established for the purpose of providing economic development at the former George Air Force Base. The Project Area was a joint project of the Cities of Adelanto, Hesperia, Victorville, the Town of Apple Valley, and the County of San Bernardino. The Project is under the direction of the Victor Valley Economic Development Authority (VVEDA) and is administered by the City of Victorville. The county receives a portion of the tax increment generated within the unincorporated areas of the project.

In 2003 the County of San Bernardino approved the Mission Boulevard Joint Redevelopment Project Area, a joint Project with the City of Montclair. Pursuant to the terms of the Redevelopment Plan and a Cooperation and Implementation Agreement, the City of Montclair has the administrative responsibility of managing the general redevelopment activities. The county and the city each administer the housing set-aside funds generated in each jurisdiction's territory.

In 2004 the Cedar Glen Disaster Recovery Redevelopment Plan was adopted to assist with the rebuilding of part of the area destroyed by the 2003 Old Fire. Funds are established to account for general operation and housing operation for the Project Area. The Project Area will begin to receive tax increment revenues in 2005-06.

In 2004 the Redevelopment Agency began initial steps toward the creation of two new project areas in the communities of Bloomington and Cajon (areas in and around Muscoy). Funds have been established for both areas to account for the general operation for the proposed project areas. It is anticipated that the both project areas can be established by November 2005 and will begin to receive tax increment revenue in 2006-07.

San Sevaine Operating Fund

DESCRIPTION OF MAJOR SERVICES

This operating fund was created to account for the Redevelopment Agency's administrative functions, including staffing requirements. Beginning in 2005-06 all tax increment revenues for general purposes are deposited directly in the Operating Fund. Debt service obligations are transferred to the Debt Service Fund for indebtedness payments.



BUDGET AND WORKLOAD HISTORY

	Actual 2003-04	Budget 2004-05	Estimate 2004-05	Proposed 2005-06
Appropriation	1,881,528	8,606,816	9,258,049	11,588,107
Departmental Revenue	2,734,674	1,960,300	10,029,640	4,170,000
Fund Balance		6,646,516		7,418,107
Budgeted Staffing		5.4		7.5

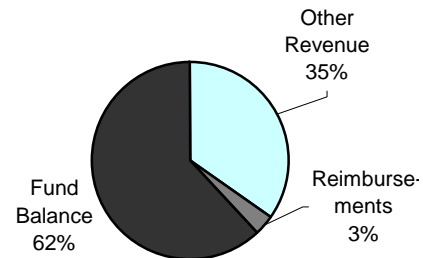
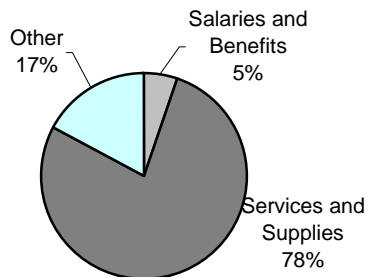
Workload Indicators

General				
Number of pass-through agreements reviewed/modified	-	4	5	5
New Project Areas created	-	3	1	3
Community information newsletters/meetings on redevelopment	-	3	10	25
Project Area Activities				
Plan amendments completed	-	1	1	1
Economic plans completed	-	2	1	2
Business assistance loans and/or grants completed	-	4	1	4
Project Area development standards prepared & adopted	-	2	-	2
Development plans reviewed	-	40	30	40
Marketing projects undertaken	-	5	2	6
Affordable Housing Activities				
Housing implementation plans completed	-	4	3	1
Affordable housing DDAs prepared and approved	-	2	-	1
Affordable housing loans/grants completed	-	2	-	2
Substandard housing units improved or eliminated	-	4	3	3

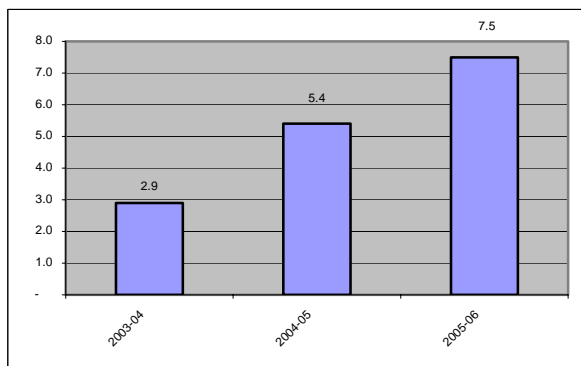
Estimated revenue for 2004-05 is \$8,069,340 more than budgeted. This is due to an anticipated \$5,000,000 loan from the county general fund to complete an acquisition project in the San Sevaire Project Area and an additional \$29,100 of interest revenue is anticipated in 2004-05. Due to an accounting change all operating tax increment revenue will be deposited directly into the Operating Fund in 2005-06 rather than the Debt Service Fund. This accounting change results in a one time Operating Transfer-In 2004-05 from the Debt Service funds, for excess revenues of \$3,040,240

2005-06 BREAKDOWN BY EXPENDITURE AUTHORITY

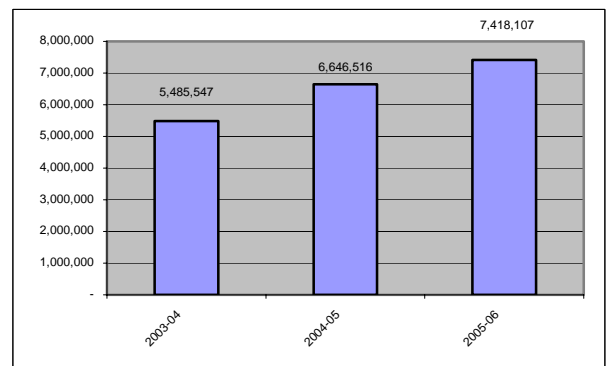
2005-06 BREAKDOWN BY FINANCING SOURCE



2005-06 STAFFING TREND CHART



2005-06 FUND BALANCE TREND CHART



GROUP: Other Agencies
DEPARTMENT: Redevelopment Agency
FUND: San Seavine Operating Fund

BUDGET UNIT: SPF RDA
FUNCTION: General
ACTIVITY: Other General

ANALYSIS OF 2005-06 BUDGET

	A	B	C	D	E	B+C+D+E F	G Department Recommended Funded Adjustments (Schedule A)	F+G H 2005-06 Proposed Budget
	2004-05 Year-End Estimates	2004-05 Final Budget	Cost to Maintain Current Program Services	Board Approved Adjustments	Impacts Due to State Budget Cuts (Schedule D)	Board Approved Base Budget		
Appropriation								
Salaries and Benefits	377,041	409,117	31,338	-	-	440,455	182,683	623,138
Services and Supplies	1,229,912	7,845,153	(56)	-	(25,000)	7,820,097	1,460,796	9,280,893
Central Computer	117	117	25	-	-	142	-	142
Other Charges	48,000	48,000	-	-	-	48,000	2,500	50,500
Land	6,885,000	-	-	-	-	-	-	-
Transfers	414,410	414,410	-	-	-	414,410	139,626	554,036
Total Exp Authority	8,954,480	8,716,797	31,307	-	(25,000)	8,723,104	1,785,605	10,508,709
Reimbursements	(296,431)	(290,515)	-	-	-	(290,515)	(105,355)	(395,870)
Total Appropriation	8,658,049	8,426,282	31,307	-	(25,000)	8,432,589	1,680,250	10,112,839
Oper Transfers Out	600,000	180,534	-	-	-	180,534	1,294,734	1,475,268
Total Requirements	9,258,049	8,606,816	31,307	-	(25,000)	8,613,123	2,974,984	11,588,107
Departmental Revenue								
Taxes	-	-	31,307	-	(25,000)	6,307	3,848,693	3,855,000
Fines and Forfeitures	-	-	-	-	-	-	-	-
Use Of Money & Prop	107,000	78,000	-	-	-	78,000	32,000	110,000
Other Revenue	-	-	-	-	-	-	205,000	205,000
Total Revenue	107,000	78,000	31,307	-	(25,000)	84,307	4,085,693	4,170,000
Operating Transfers In	9,922,640	1,882,300	-	-	-	1,882,300	(1,882,300)	-
Total Financing Sources	10,029,640	1,960,300	31,307	-	(25,000)	1,966,607	2,203,393	4,170,000
Fund Balance		6,646,516	-	-	-	6,646,516	771,591	7,418,107
Budgeted Staffing		5.4	-	-	-	5.4	2.1	7.5

In 2005-06 the department will incur increased costs in retirement, workers compensation, central computer charges, and inflationary services and supplies purchases, and will incur decreased costs in risk management insurance. In addition, this budget unit included an estimated increase in salaries and benefits related to the pending negotiations, as departmental revenues will finance this cost. These costs are reflected in the Cost to Maintain Current Program Services column.



DEPARTMENT: Redevelopment Agency
 FUND: San Seavine Operating Fund
 BUDGET UNIT: SPF RDA

SCHEDULE A

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Fund Balance
1. Salaries and Benefits The addition of 2.1 positions due to the increase in workload for three additional redevelopment project areas, 1.0 RDA Analyst-\$79,773, 1.0 Staff Analyst II-\$83,398, and .1 increase for the Redevelopment Administrator-\$14,130 for a total cost increase of \$177,301 and miscellaneous adjustments for steps and benefit changes resulted in an increase of \$5,382.	2.1	182,683	-	182,683
2. Services and Supplies *Increase of \$1,408,398 based upon estimated fund balance. *Decrease of (\$508,000) in expenditures for new project area costs. *Estimated Economic Incentives of \$500,000 for the San Seavine Project Area. *Increase of \$60,398 for inventoriable equipment and miscellaneous expenditures due to increase in staff.	-	1,460,796	-	1,460,796
3. Other Charges Increase in interest paid of \$2,500 on the RDA operating loan from the general fund.	-	2,500	-	2,500
4. Transfers Increase in transfers for the reimbursement of 1.0 Code Enforcement Officer of \$116,616 for code enforcement services in the San Seavine Project Area and rent increases of \$23,010.	-	139,626	-	139,626
5. Reimbursements Increase in reimbursements from San Seavine Housing, VVEDA, Cedar Glen, Mission Boulevard, Bloomington, and Cajon for reimbursement of Operating Costs of the RDA.	-	(105,355)	-	(105,355)
6. Operating Transfers Out *Decrease in loans of (\$180,534) to Cedar Glen and Mission Blvd Redevelopment Project Areas for operating costs. *Increase of \$250,000 for the payment of projects in the San Seavine Project Area to the RDA Capital Project Fund (SPD-RDA). *Increase for the the payment of the 2000 Tax Allocation Bond of \$1,225,268 to the Debt Service Fund. Due to an accounting change Tax Increment revenue for the San Seavine Project Area will now be directly deposited into the San Seavine Operating Fund rather than into the Debt Service Fund, therefore funds must be transferred to the Debt Service Fund (DBR-RDA) to make the 2000 Tax Allocation bond payment.	-	1,294,734	-	1,294,734
7. Taxes Due to an accounting change tax increment revenue for the San Seavine Project Area will now be directly deposited into the San Seavine Operating Fund rather than into the Debt Service Fund (DBR RDA). Revenue from taxes is expected to increase 1,972,700 in 2005-06 over the 2004-05 budgeted amount.	-	-	3,848,693	(3,848,693)
8. Revenue from the use of money Increase in interest revenue.	-	-	32,000	(32,000)
9. Other Revenue Increase in cash contribution from Catellus Corporation for reimbursement of transportation improvements in the San Seavine Project Area.	-	-	205,000	(205,000)
10. Operating Transfers In Due to an accounting change tax increment revenue for the San Seavine Project Area will now be directly deposited into the San Seavine Operating Fund rather than into the Debt Service Fund (DBR RDA).	-	-	(1,882,300)	1,882,300
Total	2.1	2,974,984	2,203,393	771,591

DEPARTMENT: Redevelopment Agency
 FUND: San Seavine Operating Fund
 BUDGET UNIT: SPF RDA

SCHEDULE D

IMPACTS DUE TO STATE BUDGET CUTS

Brief Description of State Budget Cuts	Budgeted Staffing	Appropriation	Departmental Revenue	Fund Balance
Education Resource Augmentation Fund (ERAF) Shift Increase in the estimated 2005-06 ERAF shift of Property Tax revenue to fund Education. The 2005-06 amount of (\$300,000) is based upon the January Preview of the State Budget for 2005-06. In 2004-05 the ERAF Shift was budgeted at (\$275,000) in the Debt Service Fund (DBR RDA).	-	(25,000)	(25,000)	-
Total	-	(25,000)	(25,000)	-

